

AR80

Huron & Erie Mortgage Corporation

Canada Trust



1971

Corp report

Canada Trust

Chairman and President

To Shareholders  
This is the Annual Report  
for 1971.

It was a very good  
year for your company -  
the best in its 107 year  
history, by any yardstick.  
and by quite a margin.  
A year of great growth  
in assets and earnings,  
with increased emphasis  
on standards & performance  
and customer satisfaction.

Gallagher

## A CHANGING WORLD

The world today - this moment - is slightly different than it was a millionth of a second ago. Matter and things change form, change composition. We live in this changing world and make provision for the phenomena. Our way of life changes also, and toward that end our methods of doing business must change to keep pace with the times. A company grows larger, the volume increases and the corporate image fades into a haze of unseen and unseeing faces. Many companies go through this transition.

We are a big company, and we are growing bigger day by day. As we look at ourselves we are reminded that as we grow, our image of strength, security and service must be retained.

And so we have dedicated ourselves again, re-affirming our commitment to service, and more, to the excellence of that service. It will be the goal of us all at Canada Trust in 1972 and in the future.

But service goes further than appearances. We know that service is meaningless, empty, if the world in which we live holds few rewards. The birds do not sing, the trees are not green, our waters are muddy and cannot reflect the sun.

We feel we should play our small part in getting this message across. We have had the stamps, contained in this Report, specially designed in the hope that you will use them; they will help, once again, to bring to the attention of all those concerned, that the things we do today are for nothing, if there is no tomorrow. Let's clear the muddy waters, have the birds sing, see the nodding green of the leaves and dedicate ourselves to service in all areas.

The stamps can carry that message in correspondence with your friends and business associates. Wherever you use these seals, they'll hold an important thought for the future.



**THE HURON AND ERIE MORTGAGE CORPORATION  
THE CANADA TRUST COMPANY**

*Head Office: London, Canada.*

*Consolidated Annual Report for the year ended December 31, 1971*

**FACTS IN BRIEF**

	<b>1971</b>	<b>1970</b>
Income	\$ 129,381,000	\$ 114,488,000
Expense	<u>109,536,000</u>	<u>102,845,000</u>
Earnings before taxes	19,845,000	11,643,000
Income taxes	<u>9,621,000</u>	<u>5,632,000</u>
Net earnings	\$ <u>10,224,000</u>	\$ <u>6,011,000</u>
Net earnings per share	\$1.85	* \$1.18
Dividends declared	\$ 3,313,000	\$ 2,836,000
Dividends per share	\$ .60	\$ .56

*\*Based on weighted average of shares outstanding.*

Assets under administration	\$3,272,000,000	\$2,871,000,000
Deposits	1,398,000,000	1,255,000,000
Loans	1,251,000,000	1,112,000,000
Estates, trusts and agencies	1,797,000,000	1,546,000,000
Shareholders' equity	50,000,000	45,000,000

Number of shareholders	4558	4678
Number of employees	1899	1868
Number of branches	80	82

*Prospects are favourable for another very good year for us in 1972, a view supported by factors both within the company and on the economic scene generally.*

#### Results in 1971

Trust companies in Canada enjoyed favourable operating conditions in 1971. Interest rates dropped, savings from the public grew substantially, there was a healthy mortgage market and fiduciary trust services had wider public demand than ever before.

Canada Trust shared the opportunities of this climate in full measure and assets under administration and earnings exceeded any previous experience by a wide margin. The Company's progress was enhanced by formal completion during the year of the mergers with it of Waterloo Trust and Halton & Peel Trust.

#### Prospects for 1972

Prospects are favourable for another very good year for us in 1972, a view supported by factors both within the company and on the economic scene generally.

Public acceptance of Canada Trust is reflected in the prevailing surge of business. Assets entrusted for administration are now growing at a rate well in excess of one million dollars a day, net, for every day in the year. The report of the General Manager elsewhere in these pages provides ample evidence that this growth is warranted by the operating strengths the company now employs. Public acceptance and operating strengths in turn give good ground for shareholder confidence.

There is much contradiction in the state of the Canadian economy as a whole, but on balance strengths far outrun weaknesses by any yardstick of comparison with other countries or with other times. We would do well to remind ourselves of this and not to yield to

the temptation to let our Canadian propensity for gloom prevail.

#### Corporate Identity

In 1971 we adopted a new signature and corporate identity for Huron & Erie and its wholly-owned subsidiary Canada Trust - two companies that are managed jointly and function as one operation in everything but name.

Our signature has now become "Canada Trust". Those two words combine simplicity and unique strength, they convey a national connotation, and they remove the long-standing confusion caused by use of the two names. The Huron & Erie name will in future be used only for stock exchange purposes and as necessary to meet regulatory and legal requirements. A new symbol incorporating the letters "C" and "T" has been adopted to complete the new corporate identity.

#### British Columbia Centennial Meeting

A special meeting of the Executive Committee, senior Directors and the Advisory Boards in Vancouver and Victoria was held in Victoria in September in recognition of the Centennial of British Columbia. At that meeting Mr. H. R. MacMillan, a member of the Vancouver Advisory Board and a former Director, was appointed Honorary Chairman of the Advisory Boards in British Columbia in recognition of his outstanding contribution to the Company over the past quarter century.

#### Directorate

In compliance with recent federal legislation that sets an age limit for membership on trust and loan company boards, this year sees the retirement of nine of our most valued Directors:

- Mr. V. P. Cronyn, first appointed a Director in 1930, and from 1958 to 1968 Chairman of the Boards of Directors. Mr. Cronyn is the third generation of a distinguished family that has served the Boards of the Company continuously since the time of Mr. Verschoyle Cronyn who was one of the founders of the Huron & Erie in 1864;

- Mr. Gordon Farrell, appointed a Director in 1948 and since 1949, Chairman of the Vancouver Advisory Board;



*While contemplating another successful year, and with high hopes for the future, J. Allyn Taylor, (Right) Chairman and President, Walter A. Bean, (Left) Deputy Chairman and Vice-President and Arthur H. Mingay, Vice-President and General Manager, hold concern for our environment. This report is dedicated to the preservation of our natural resources.*







- Mr. P. R. Hilborn, of Preston, named a Director of Waterloo Trust in 1927 and Vice-President of that Company since 1955;
- Mr. H. H. Leather, since 1953 a Director and Chairman of the Hamilton Advisory Board;
- Mr. John W. Scott, of Kitchener, a Director of Waterloo Trust since 1951 and latterly in turn President and Chairman of that Company;
- Mr. M. J. Smith, of Waterloo, a Director of Waterloo Trust since 1960;
- Mr. J. Gordon Thompson, of London, appointed a Director in 1948;
- General A. E. Walford who became a Director in 1962, and has been Chairman of the Montreal Advisory Board since 1961;
- The Honourable Clarence Wallace, of Vancouver, appointed a Director in 1957.

This distinguished group of gentlemen have contributed beyond easy expression to the traditions and accomplishments upon which the Company has been built. They will be sorely missed.

I record with deep regret the death during the year of Brigadier George W. Robinson of London, a valued Board member.

Mr. Thomas Edmondson of St. Catharines was elected as a new Director and we are fortunate in the strength he brings to us.

#### **Advisory Boards**

During the past year we altered the structure and procedural format of the Advisory Board system to better conform with prevailing operating conditions. In the course of this several Advisory Boards, with the full concurrence of their members, were phased out. For those Boards that continue, the subject matter of agendas has been standardized, so as to emphasize the role of the Advisory Board in expressing opinion on local economic conditions and on matters affecting the conduct of the business of the Company in the particular area.

There were two changes in Advisory Board Chairmanships during the year. Mr. A. F. Fuerth retired as Chairman of the Windsor Board and Mr. Cyril Woodward as

*There is much contradiction in the state of the Canadian economy as a whole, but on balance strengths far outweigh weaknesses by any yardstick of comparison with other countries or with other times.*

*In compliance with recent Federal legislation that sets an age limit for membership on Trust and loan company boards, this year sees the retirement of nine of our most valued Directors.*

*During the past year we altered the structure and procedural format of the Advisory Board System.*

Chairman of the Niagara Peninsula Board, both after long and meritorious service. They were respectively succeeded by Mr. John J. Stuart and Mr. Thomas Edmondson.

With keen regret resignations were accepted from Mr. David Cromarty, a member of the Niagara Peninsula Board, occasioned by his appointment as a Justice of the Supreme Court of Ontario; and from Mr. Murray Clark and Mr. Paul Kidd, members of the Windsor Board and Mr. George Heffelfinger of the Manitoba Board.

Finally on the subject of Advisory Boards, it has been deemed necessary to recognize the same age limit for membership that now applies by Federal statute to Directors, as mentioned earlier in this report. To this end, but to our considerable loss, the following Advisory Board members are retiring this year:

Mr. Fred M. Cairns, Niagara Falls; Dr. W. B. Carruthers, Sarnia; General J. A. Clark, Vancouver; Mr. J. M. Dunwoody, Toronto; Mr. P. A. Fisher, Burlington; Mr. A. F. Fuerth, Windsor; Mr. Andrew B. Graham, Vancouver; Mr. G. B. Jackson, Port Credit; Mr. E. H. Lancaster, St. Catharines; Mr. F. E. Lennard, Dundas; Mr. H. R. MacMillan, Vancouver; Mr. A. G. McDermott, Mississauga; Mr. J. L. Trumbull, Vancouver; and Mr. R. W. Whittome, Duncan.

To all these gentlemen and to the many others who served on Advisory Boards that have been discontinued in accordance with the new policy to which I have referred, I express appreciation for their role in bringing strength and character to the Company.

#### **Appreciation**

On behalf of Directors and Shareholders alike, I extend hearty thanks to all the men and women who comprise our staff, whatever their duties may be.

This great group of people are primarily responsible for the accomplishments of the year under review.

*Gally Haydon*

Chairman and President

London, Ontario, January 14, 1972



# CONSOLIDATED STATEMENT OF EARNINGS *Year Ended December 31, 1971*

	1971	1970
INCOME		
Interest from loans	\$ 104,312,000	\$ 90,629,000
Income from securities	10,634,000	11,062,000
Fees and commissions	10,212,000	9,033,000
Other	4,223,000	3,764,000
	<u>129,381,000</u>	<u>114,488,000</u>
EXPENSE		
Interest on deposits	84,573,000	80,660,000
Salaries and staff benefits	13,053,000	11,762,000
Other	11,910,000	10,423,000
	<u>109,536,000</u>	<u>102,845,000</u>
Earnings before taxes	19,845,000	11,643,000
Income taxes <i>note 2</i>	9,621,000	5,632,000
NET EARNINGS	\$ <u>10,224,000</u>	\$ <u>6,011,000</u>
Net earnings per share*	\$1.85	\$1.18*

\*Based on weighted average of shares outstanding.



# **CONSOLIDATED STATEMENT OF UNAPPROPRIATED EARNINGS** *Year Ended December 31, 1971*

	1971	1970
Balance at beginning of year	\$ 462,000	\$ 527,000
Net earnings	<u>10,224,000</u>	<u>6,011,000</u>
	<u>10,686,000</u>	<u>6,538,000</u>
Deduct:		
Dividends	3,313,000	2,836,000
Transfer to reserve for securities and loans	2,016,000	1,837,000
Transfer to general reserve	<u>4,900,000</u>	<u>1,403,000</u>
	<u>10,229,000</u>	<u>6,076,000</u>
BALANCE AT END OF YEAR	\$ <u>457,000</u>	\$ <u>462,000</u>

# **CONSOLIDATED STATEMENT OF RESERVE FOR SECURITIES AND LOANS** *Year Ended December 31, 1971*

	1971	1970
Balance at beginning of year	\$ 21,941,000	\$ 20,167,000
Transfer from unappropriated earnings	2,016,000	1,837,000
Net profit on sale of securities	102,000	97,000
Net loss on loans	(7,000)	(33,000)
Other non-recurring items	(62,000)	(127,000)
BALANCE AT END OF YEAR <i>note 3</i>	\$ <u>23,990,000</u>	\$ <u>21,941,000</u>

# **CONSOLIDATED STATEMENT OF GENERAL RESERVE** *Year Ended December 31, 1971*

	1971	1970
Balance at beginning of year	\$ 33,400,000	\$ 25,600,000
Transfer from unappropriated earnings	4,900,000	1,403,000
Premium on issue of shares	—	6,397,000
BALANCE AT END OF YEAR	\$ <u>38,300,000</u>	\$ <u>33,400,000</u>



**CONSOLIDATED BALANCE SHEET** *December 31, 1971*

<b>ASSETS</b>	<b>1971</b>	<b>1970</b>
CASH AND ITEMS IN TRANSIT	\$ 11,253,000	\$ 11,274,000
SECURITIES <i>note 4</i>		
Bonds		
Government of Canada	125,167,000	98,275,000
Provinces of Canada	23,657,000	27,977,000
Other	25,702,000	37,312,000
	174,526,000	163,564,000
Stocks	14,432,000	14,564,000
(Market value 1971 \$196,797,000; 1970 \$180,309,000)	188,958,000	178,128,000
LOANS		
Mortgages <i>note 5</i>	1,208,174,000	1,085,689,000
Personal loans	9,815,000	6,074,000
Loans on securities	31,920,000	18,380,000
Advance to estates, trusts & agencies	1,134,000	1,374,000
	1,251,043,000	1,111,517,000
OTHER ASSETS <i>note 6</i>	1,424,000	812,000
PREMISES AND EQUIPMENT <i>note 7</i>	22,673,000	22,790,000
	<u>\$1,475,351,000</u>	<u>\$1,324,521,000</u>



LIABILITIES	1971	1970
DEPOSITS		
Demand	\$ 451,269,000	\$ 389,396,000
Deposit certificates	15,247,000	42,684,000
Term	931,149,000	822,595,000
	<u>1,397,665,000</u>	<u>1,254,675,000</u>
OTHER LIABILITIES		
Income taxes payable	2,330,000	1,587,000
Dividend payable	828,000	773,000
	<u>3,158,000</u>	<u>2,360,000</u>
DEFERRED INCOME TAXES	739,000	641,000
RESERVE FOR SECURITIES AND LOANS <i>note 3</i>	23,990,000	21,941,000
SHAREHOLDERS' EQUITY		
Capital		
Authorized, 10,000,000 shares of \$2 each.		
Issued and fully paid 5,521,088 shares	11,042,000	11,042,000
General reserve	38,300,000	33,400,000
Unappropriated earnings	457,000	462,000
	<u>49,799,000</u>	<u>44,904,000</u>
	<u>\$1,475,351,000</u>	<u>\$1,324,521,000</u>

*The undersigned officials of The Huron and Erie Mortgage Corporation and The Canada Trust Company hereby certify that they have examined the foregoing consolidated statements of the said Companies and that to the best of their knowledge and belief the said consolidated statements are correct, and show truly and clearly the*

*financial condition of the affairs of the Companies.*

*J. ALLYN TAYLOR, Chairman and President  
W. A. BEAN, Deputy Chairman and Vice-President  
A. H. MINGAY, Vice-President and General Manager*

# 1. Basis of Consolidation

During the year The Canada Trust Company, The Waterloo Trust and Savings Company and Halton & Peel Trust & Savings Company were merged to form The Canada Trust Company. The consolidated financial statements of The Huron and Erie Mortgage Corporation include the accounts of the merged company.

Consolidated assets at December 31, 1971, include \$702,965,000 (1970 \$622,204,000) held to secure guaranteed trust deposits.

# 2. Income Taxes

Deferred income taxes arise as a result of claiming capital cost allowances in excess of depreciation recorded in the accounts.

Income taxes accordingly are as follows:

	1971	1970
Currently payable	\$9,523,000	\$5,478,000
Deferred	98,000	154,000
	<u>\$9,621,000</u>	<u>\$5,632,000</u>

# 3. Reserve for Securities and Loans

The total reserve for securities and loans exceeds the maximum allowable for tax purposes, and at the end of the year includes a tax paid balance of \$5,113,000 for 1971 and \$3,229,000 for 1970.

# 4. Securities

The Government and Provinces of Canada Bonds, which

include both direct and guaranteed, and other bonds are stated at amortized cost. Stocks are stated at cost.

The market values at December 31, are:

	1971	1970
Bonds:		
Government of Canada	\$127,908,000	\$100,609,000
Provinces of Canada	22,196,000	24,863,000
Other	24,126,000	33,711,000
	<u>174,230,000</u>	<u>159,183,000</u>
Stocks	22,567,000	21,126,000
	<u>\$196,797,000</u>	<u>\$180,309,000</u>

# 5. Mortgages

Mortgages include Government insured loans of \$171,003,000 in 1971 and \$92,620,000 in 1970.

# 6. Other Assets

Other assets include real estate on hand of \$779,000 in 1971 (1970 \$424,000) which does not exceed estimated market value.

# 7. Premises and Equipment

Premises and equipment are stated at cost, less accumulated depreciation of \$10,213,000 at December 31, 1971, and \$9,212,000 at December 31, 1970.

Depreciation of \$1,007,000 for 1971 and \$944,000 for 1970 is computed on the straight line method and is included in other expenses.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of The Huron and Erie Mortgage Corporation and its subsidiary company as at December 31, 1971 and the consolidated statements of earnings, unappropriated earnings, reserve for securities and loans and general reserve for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of

the companies, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1971 and the results of their operations for the year then ended, on a basis consistent with that of the preceding year.

*Thorne, Gunn, Helliwell & Christenson*

THORNE, GUNN, HELLIWELL & CHRISTENSON  
CHARTERED ACCOUNTANTS  
London, Ontario, January 14, 1972



## BOARD OF DIRECTORS

*All of those listed are Directors of Canada Trust except Henry Borden who is a Director of Huron & Erie. Those serving as Directors of both Companies are indicated by an asterisk (\*).*

R. W. AUGER, Kitchener, Ontario,  
Retired Executive

\*A. E. BARRON, Toronto, Ontario,  
Chairman, Canadian Tire  
Corporation Limited

\*W. A. BEAN, Waterloo, Ontario,  
Deputy Chairman and Vice-President  
Canada Trust

W. J. BEATTY, Acton, Ontario,  
Retired Executive

W. J. BLACKBURN, London, Ontario,  
Publisher, London Free Press Printing  
Company Limited

HENRY BORDEN, Toronto, Ontario,  
Company Director

G. M. BRAY, Kitchener, Ontario,  
Barrister and Solicitor

C. W. BRAZIER, Vancouver,  
British Columbia, Barrister and Solicitor

D. W. BROWN, Kitchener, Ontario,  
President, General Spring Products Ltd.

\*V. P. CRONYN, London, Ontario,  
Retired Executive

G. H. DOBBIE, Galt, Ontario,  
President, Dobbie Industries Limited

THOMAS EDMONDSON, St. Catharines,  
Ontario, Chairman,  
Ferranti Packard Limited

GORDON FARRELL, Vancouver,  
British Columbia, Retired Executive

W. W. FOOT, Kitchener, Ontario,  
Chairman, Economical Mutual  
Insurance Company

J. D. HARRISON, London, Ontario,  
Barrister and Solicitor

W. H. HEMPHILL, Stratford, Ontario,  
President and General Manager,  
Imperial Furniture Mfg. Co. Ltd.

P. R. HILBORN, Preston, Ontario,  
President, Canadian Office and  
School Furniture Co. Ltd.

ELMORE HOUSER, Toronto, Ontario,  
Barrister and Solicitor

\*A. H. JEFFERY, London, Ontario,  
Barrister and Solicitor

R. A. KNIGHTON, London, Ontario,  
Secretary, Canada Trust

\*TOM F. G. LAWSON, London, Ontario,  
President, Lawson & Jones Limited

\*H. H. LEATHER, Hamilton, Ontario,  
Retired Executive

\*K. R. MacGREGOR, Waterloo, Ontario,  
President and Chief Executive Officer  
The Mutual Life Assurance Company  
of Canada

\*O. E. MANNING, Oakville, Ontario,  
Former President, Halton & Peel Trust &  
Savings Company

C. A. MARTIN, Milton, Ontario, Farmer  
H. S. MATTHEWS, Guelph, Ontario,  
Retired Executive

\*M. C. G. MEIGHEN, Toronto, Ontario,  
Chairman, Canadian General  
Investments Limited

\*A. H. MINGAY, London, Ontario,  
Vice-President and General Manager,  
Canada Trust

J. E. MOTZ, Kitchener, Ontario, President  
and Publisher, Kitchener-Waterloo Record

H. L. McCULLOCH, Galt, Ontario,  
Chairman, Gore Mutual Insurance Co.

W. J. McGIBBON, Waterloo, Ontario,  
Barrister and Solicitor

DUNCAN McINTOSH, Galt, Ontario,  
President and Managing Director,  
Gore Mutual Insurance Co.

C. O. NICKLE, Calgary, Alberta,  
Publisher, Daily Oil Bulletin

\*R. H. REID, London, Ontario,  
Vice Chairman, London Life  
Insurance Company

G. E. ROBERTSON, Guelph, Ontario,  
Retired Industrialist

E. G. SCHAFER, Kitchener, Ontario,  
Retired Executive

J. W. SCOTT, Kitchener, Ontario,  
Retired Executive

J. E. F. SEAGRAM, Waterloo, Ontario,  
President, Canadian Barrels & Kegs Limited

G. E. SHARPE, Winnipeg, Manitoba,  
President, Sharpe's Auto Electric Ltd.

M. J. SMITH, Waterloo, Ontario,  
Retired Executive

W. H. SPRAGUE, Edmonton, Alberta,  
Chairman, Sprague Drug Limited

R. W. STEVENS, Toronto, Ontario,  
Barrister and Solicitor

J. D. STEVENSON, Toronto, Ontario,  
Barrister and Solicitor

J. J. STUART, Windsor, Ontario,  
Chairman and President, J. T. Wing Limited

\*J. A. TAYLOR, London, Ontario,  
Chairman and President, Canada Trust

J. G. THOMPSON, London, Ontario,  
Chairman, General Products Mfg.  
Corporation Ltd.

NOAH TORNO, Toronto, Ontario,  
President, Gramercy Holdings Limited

A. S. UPTON, Kitchener, Ontario,  
Retired Executive

A. E. WALFORD, Montreal, Quebec,  
President, Waldyke Investments Limited

CLARENCE WALLACE, Vancouver,  
British Columbia, President,  
Burrard Drydock Company Limited

C. N. WEBER, Kitchener, Ontario,  
President, C. N. Weber Limited

\*G. E. G. WHITAKER, London, Ontario,  
Assistant General Manager,  
London Region, Canada Trust

\*J. D. WILSON, Vancouver,  
British Columbia, Vice-President,  
Canada Trust

R. B. WILSON, Victoria,  
British Columbia, President,  
The B. Wilson Company Limited

R. D. WOLFE, Willowdale, Ontario,  
President and Chief Executive Officer,  
The Oshawa Group Limited

## TEN YEAR RECORD

December 31 (000's omitted)	1971	1970	1969	1968
Assets Under Administration	\$3,272,000	2,871,000	2,574,000	2,232,000
Deposits	\$1,398,000	1,255,000	1,139,000	997,000
Loans	\$1,251,000	1,112,000	981,000	836,000
Estates, Trusts and Agencies	\$1,797,000	1,546,000	1,375,000	1,197,000
Shareholders' Equity	\$ 49,799	44,904	35,951	34,964
<b>Year ended December 31 (000's omitted)</b>				
Net Earnings	\$ 10,224	6,011	5,454	4,740
Dividends Declared (including bonuses)	\$ 3,313	2,836	2,554	2,270
<b>Per Share</b>				
Number of Shares outstanding (@ \$2 par value, and to the nearest thousand)	5,521	5,521	4,912	4,912
Net Earnings*	\$ 1.85	1.18	1.11	1.09
Regular Dividends Declared (including bonuses)	\$ .60	.56	.52	.52
Special Centenary Payment	\$ —	—	—	—
Shareholders' Equity	\$ 9.02	8.13	7.32	7.12

\*Net earnings per share based on the weighted average of shares outstanding during the year.



1967	1966	1965	1964	1963	1962
1,689,000	1,501,000	1,363,000	1,154,000	983,000	854,000
662,000	596,000	527,000	444,000	375,000	312,000
583,000	519,000	447,000	373,000	315,000	264,000
977,000	860,000	795,000	669,000	564,000	509,000
35,996	34,579	32,874	27,883	26,388	19,665
4,370	4,186	3,688	3,128	2,498	2,040
1,720	1,600	1,328	1,368	957	780
4,000	4,000	4,000	3,600	3,600	3,000
1.09	1.05	.94	.87	.72	.68
.43	.40	.32	.28	.28	.26
—	—	—	.10	—	—
9.00	8.64	8.22	7.75	7.33	6.56

## ADVISORY BOARDS

### *NORTHERN ALBERTA*

W. H. SPRAGUE, Edmonton, Chairman,  
Sprague Drug Ltd.  
F. T. JENNER, Edmonton, Retired  
Automobile Dealer  
G. D. LOVE, Edmonton, President, Oxford  
Leaseholds Limited  
W. C. MacKENZIE, Edmonton, Dean, Faculty of  
Medicine, University of Alberta  
D. R. B. McARTHUR, Edmonton, President,  
Inland Cement Industries Ltd.  
J. A. WEBER, Edmonton, President and  
Managing Director, Weber Bros, Realty Ltd.

### *HALTON & PEEL*

O. E. MANNING, Oakville, Director, Canada Trust  
J. T. ARMSTRONG, Georgetown, Insurance Agent  
J. R. BARBER, Georgetown, President,  
Barber & Henley Limited  
M. C. BEATY, Milton, Real Estate Broker  
W. J. BEATTY, Acton, Retired Executive  
A. G. CLARKSON, Streetsville, Fruit Farmer  
F. M. EARLY, Brampton, President and  
Manager, Early's Farm Supply Ltd.  
P. A. FISHER, Burlington, Fruit Farmer  
J. M. FRASER, Streetsville, Farmer  
REFORD GARDHOUSE, Milton, Livestock Farmer  
D. E. GOULDING, Toronto, President, Goulding,  
Rose & Turner Ltd.  
JOHN GOY, Acton, President, Goy Cartage Ltd.  
J. G. HICKEY, Port Credit, President,  
Oneida Realty Ltd.  
G. B. JACKSON, Port Credit, Barrister and Solicitor  
W. C. LAWRENCE, Brampton, Barrister  
and Solicitor  
MICHAEL LEDWITH, Milton, President and  
General Manager, Ledwith Food Markets Limited  
F. E. LENNARD, Dundas, Retired Executive  
C. A. MARTIN, Milton, Farmer  
W. H. McCAUGHERTY, Streetsville, Retired Farmer  
A. G. McDERMOTT, Port Credit,  
Retired Bank Manager  
ANGUS McMILLAN, Oakville, Barrister  
and Solicitor  
E. M. MILNE, Burlington, Retired Executive  
JAMES PENGILLEY, Mississauga, Retired Farmer  
E. S. PORTEOUS, Dundas, Retired Executive  
E. E. SLACER, Oakville, Retired Farmer  
D. B. YOUNG, Campbellville, Veterinarian

### *HAMILTON*

H. H. LEATHER, Hamilton, Retired Executive  
S. A. ALLAN, Hamilton, Chairman, Reid Press Ltd.  
W. R. CARTER, Hamilton,  
Carters Limited  
R. W. COOPER, Hamilton, President, Cooper  
Construction Co. (Eastern) Ltd.

F. W. DAKIN, Hamilton, President,  
The G. W. Robinson Co. Ltd.  
C. S. GLASSCO, Hamilton, Vice Chairman and  
Chief Executive Officer, Southam Printing  
Company Ltd.  
C. E. VAUGHAN, Hamilton, Radiologist

### *MANITOBA*

G. E. SHARPE, Winnipeg, President,  
Sharpe's Auto Electric Ltd.  
D. C. DINGWALL, Winnipeg, President and  
Managing Director, Henry Birks & Sons Ltd.  
H. B. MONK, Winnipeg, Barrister and Solicitor  
ALEXANDER ROBERTSON, Winnipeg, President,  
The Winnipeg Supply & Fuel Co. Ltd.

### *MONTREAL*

A. E. WALFORD, Montreal, President,  
Waldyke Investments Ltd.  
G. L. BRUCK, Montreal, President, Bruck Mills Ltd.  
HUGH CAMPBELL, Ottawa, Retired Air  
Vice Marshal  
W. L. FORSTER, Montreal, Consultant  
ROLAND PILLENIERE, Longueuil, President,  
R. Pellenière Insurance Inc.

### *NIAGARA PENINSULA*

THOMAS EDMONDSON, St. Catharines, Chairman,  
Ferranti Packard Ltd.  
J. L. AULD, St. Catharines, Retired Manager  
F. M. CAIRNS, Niagara Falls, Vice Chairman,  
Niagara Parks Commission  
E. H. LANCASTER, St. Catharines, Barrister  
and Solicitor  
J. N. McWATTERS, St. Catharines, President,  
Scott Misener Steamships Ltd.  
C. F. WOODWARD, St. Catharines,  
Retired Executive

### *SARNIA*

J. S. BLUNT, Sarnia, President, Holmes  
Foundry Ltd.  
W. B. CARRUTHERS, Sarnia, Physician  
G. R. COLES, Sarnia, President,  
Gordon R. Coles Construction Ltd.

### *TORONTO*

M. C. G. MEIGHEN, Toronto, Chairman,  
Canadian General Investments Ltd.  
A. E. BARRON, Toronto, Chairman,  
Canadian Tire Corporation Ltd.  
HENRY BORDEN, Toronto, Company Director  
W. H. CLARK, Thornhill, Retired Executive  
J. M. DUNWOODY, Toronto, Chartered Accountant  
ELMORE HOUSER, Toronto, Barrister and Solicitor  
MARGARET P. HYNDMAN, Toronto,  
Barrister and Solicitor  
E. A. R. NEWSON, Toronto, Barrister and Solicitor

R. W. STEVENS, Toronto, Barrister and Solicitor  
J. D. STEVENSON, Toronto, Barrister and Solicitor  
NOAH TORNO, Toronto, President,  
Gramercy Holdings Ltd.  
R. D. WOLFE, Willowdale, President and Chief  
Executive Officer, The Oshawa Group Limited

### *VANCOUVER*

HONORARY CHAIRMAN H. R. MacMILLAN,  
Retired Executive  
GORDON FARRELL, Vancouver,  
Retired Executive  
J. L. TRUMBULL, Vancouver, President,  
McColl Fine Foods Ltd.  
H. CLARK BENTALL, Vancouver, President,  
Dominion Construction Company Ltd.  
C. W. BRAZIER, Vancouver, Barrister and Solicitor  
JOHN M. BUCHANAN, Vancouver,  
Retired Executive  
J. A. CLARK, Vancouver, Barrister and Solicitor  
J. V. CLYNE, Vancouver, Chairman and Chief  
Executive Officer, MacMillan Bloedel Ltd.  
ANDREW B. GRAHAM, Vancouver, Consultant,  
Anglo Canadian Shipping Co. Ltd.  
RICHARD NELSON, Vancouver, Chairman,  
Nelson Bros. Fisheries Ltd.  
CLARKE SIMPKINS, Vancouver, President,  
Clarke Simpkins Ltd.  
CLARENCE WALLACE, Vancouver, President,  
Burrard Drydock Co. Ltd.  
J. D. WILSON, Vancouver, Vice President,  
Canada Trust

### *VICTORIA*

HONORARY CHAIRMAN H. R. MacMILLAN,  
Retired Executive  
R. B. WILSON, Victoria, President,  
The B. Wilson Company Limited  
F. N. CABELDU, Victoria, President,  
F. N. Cabeldu Ltd.  
W. C. MEARNS, Victoria, Engineering Consultant  
H. R. STEPHEN, Victoria, Retired  
R. W. WHITTOME, Duncan, President,  
J. H. Whittome & Co. Ltd.  
J. H. WILSON, Victoria, President,  
W & J Wilson Ltd.

### *WINDSOR*

J. J. STUART, Windsor, Chairman  
and President, J. T. Wing Limited  
A. F. FUERTH, Windsor, Retired Executive  
F. K. JASPERSON, Windsor  
G. P. WHALEY, Ruthven, General Manager,  
George Whaley & Sons Ltd.



## GENERAL MANAGER'S REPORT

In spite of its 107 years, Canada Trust during 1971 demonstrated none of the symptoms commonly attributed to more than a century of living.

Gains were accomplished in almost every area of corporate endeavor. Share earnings leaped ahead, volume of deposits climbed, mortgage and personal loans advanced, our trust business grew at an unprecedented rate, automation expanded and more doors were opened to welcome the public.

In short, it was a very good year.

There were in 1971 significant reasons, of course, the most important being the substantial improvement in the spread between the average interest earned and paid.

We feel interest rates in 1972 will be relatively more stable than in 1971 which should permit a reasonable spread to be maintained.

The merger of Waterloo Trust and Halton & Peel Trust, now completed, enabled us to see the full benefit of the saving in operating costs achieved.

Another important factor was rigid control of expenses. And then there was the staff.

The health and endurance of any organization is measured by the quality, loyalty and imagination of the people who work for it. We are fortunate in having such a capable group of employees.

The overall results achieved by the company in 1971 illustrate an excellent performance by all concerned with our affairs. I place on record my sincere thanks to the staff, who worked — and continue to work — for higher levels of achievement.



## Earnings

Net earnings per share increased by 56.8 per cent. It is important to note in the chart at right the 1970 share earnings are based on the average number outstanding during that year.

## Assets under administration

These passed the \$3 billion mark during 1971, a 13.9 per cent increase. How better to gauge the zest of the company than to consider that on our 100th anniversary in 1964 the figure was just over \$1 billion.

## Branch system

Recognizing the public's demand for shopping conveniences, two new branches were opened, Calgary-Market Mall and Guelph-Willow West Mall. Two existing branches in these cities were closed and business transferred to the new locations.

Yorkton-Saskatchewan and Toronto-Riverdale branches were closed — their performances since opening and projected results proved unsatisfactory.

During 1972 we will move our operations in Halifax, Ottawa, Calgary and Burlington-Brant branches into modern new quarters and work will start on a new building in Brampton.

A complete listing of our 80 branches appears on Page 21.

## Deposits

One of the many happy signs in 1971 was the remarkable increase in demand deposits. There was an increase of \$62 millions, compared to \$27 millions in 1970.

Total deposits increased \$143 millions (11.4 per cent) compared to \$116 millions (10.2 per cent) the year earlier.

The chart at right indicates the "mix" of our deposits. The higher interest term deposits continue to represent a significant portion of total deposits.

## Mortgage loans

Throughout the year we continued to place emphasis on



## EARNINGS

Net Earnings \$5,011,000
Earnings Per Share \$1.18
No. of Shares Outstanding 5,087,115 (averaged)
<b>1970</b>

Net Earnings \$10,224,000
Earnings Per Share \$1.85
No. of Shares Outstanding 5,521,088
<b>1971</b>

## PERSONAL LOANS

Gross Lending \$8,169,000	Gross Lending \$13,695,000
Total Personal Loans Portfolio \$6,074,000	Total Personal Loans Portfolio \$9,815,000
<b>1970</b>	<b>1971</b>

## DEPOSITS

Total dollars on deposit \$1,254,675,000	Total dollars on deposit \$1,397,665,000
% of dollars on deposit in Term 65%	% of dollars on deposit in Term 67%
% of dollars on deposit in Deposit Certificates 5%	% of dollars on deposit in Deposit Certificates 1%
% of dollars on deposit in Demand 30%	% of dollars on deposit in Demand 32%
<b>1970</b>	<b>1971</b>

## TRUST BUSINESS

Total Trust Business — \$1,797,000,000  
Increase in 1971 — 13.9%

Total Trust Business — \$1,546,000,000  
Increase in 1970 — 12.4%



residential loaning and as a result a net increase of \$122 millions or 11.3 per cent in the mortgage portfolio was recorded, compared to \$119 millions or 12.3 per cent in 1970.

Loans now total \$1,208 millions.

Approximately 14 per cent of our mortgage loans are now National Housing Act loans and more than 81 per cent of the loans which we hold mature within five years.

#### **Personal loans**

During the year personal loans increased by \$4 millions to a total of \$10 millions. To gain the increase, gross lending of \$14 million was necessary.

An even higher volume is assured in future years with the extension of the loan service to all branches in 1972.

#### **Automation**

To speed customer service and improve our record-keeping capabilities, a commitment has been made to lease an IBM 370 / 145 computer to replace the two computers now serving us. The new machine will provide increased capacity and speed in the years ahead.

The number of branches on the Computerized Teller System was increased to 33, cutting waiting time and streamlining our bookkeeping methods. Over half the company's savings business is now on this quick and efficient system.

Studies will be completed in 1972 on the feasibility of extending the system to additional branches in Ontario.

#### **Real estate**

Bright orange lawn signs carrying the crisp new company logo brought a fresh identity to the real estate service in the Fall of 1971.

Gross fees and commissions — \$2,412,000 compared to \$1,610,000 the previous year — reflected the general improvement in the Canadian real estate market and further expansion of our facilities during the year.

We now have 23 branches offering real estate service in as many cities across the country and we hope to add the service to 10 branches in '72.

We are confident our real estate operations will make an increasingly important contribution to earnings in the years ahead.

#### **Trust business**

Remarkable is the word to describe the growth in trust business, which reached an all-time high of \$1,797 millions by year end. Assets under administration climbed \$251 millions or 16.2 per cent compared to \$171 millions or 12.4 per cent the preceding year.

Personal trust assets increased by \$85 millions; pension trust funds by \$166 millions.

During the year we received 54 new corporate pension trustee appointments and 51 corporate trustee, registrar and transfer appointments.

As of December 31, we were trustee of 24,264 retirement savings plans with assets totalling \$109 millions.

#### **Tax planning**

As with all new legislation, Canada's proposed tax laws produced confusion in many quarters and a special newsletter is being published to explain the tax implications to our clients.

A new division is being established to deal with the complexity of taxes for clients in all areas of our business.

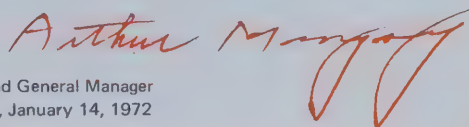
#### **Employee attitude survey**

Staff numbers increased to nearly 1900 with expansion of the company and we felt it was important to create the opportunity for them to confidentially express their views. Hence, the employee attitude survey.

The survey was conducted by an external consultant.

Although the results are still not fully analyzed, we are pleased with the very positive attitudes expressed by our people. We have taken note of some of the legitimate areas of employee concern and appropriate action will be taken on their suggestions.

Again, I would like to express my appreciation to our staff for the vigor with which they guided the company to one of the most successful years in its long, yet flourishing, history.



Vice-President and General Manager  
London, Ontario, January 14, 1972



**John S. Beatty** graduated from the University of Toronto in 1934 with a Bachelor of Commerce degree; is a Chartered Accountant, and former General Manager of Halton & Peel Trust. Joined Canada Trust in 1968, on Halton & Peel Trust and Savings Company being merged with the Company. He has been responsible for the Halton & Peel Region and retired from active duty with the Company on December 31, 1971.

**Ronald Clayton** joined Canada Trust in Windsor, Ontario in 1936. Has served the Company in Windsor, London, Victoria, Calgary, and Hamilton before his senior appointment in the Toronto Region in 1968.

**Cyril A. Holding** came to Canada Trust, July 1946 in Victoria, British Columbia. Served the Company in Winnipeg and Montreal prior to appointment heading the Eastern Canada Region, in 1967, based in Montreal.

**Keith L. Sumner** a Bachelor of Commerce graduate from the University of Toronto in 1952. Came to Canada Trust in 1970 from a career with a Canadian Chartered Bank in which he held several senior positions. At Canada Trust, he is responsible for the overall management of our financial services.

**John D. Wilson** joined Canada Trust in 1928 and has served the Company in London, Hamilton and Vancouver. Corporate assignment covers all phases of running Company operations in British Columbia.

**George E. G. Whitaker** graduated from the University of Toronto with a degree in Political Science and Economics in 1933 and from Osgoode Hall Law School as a Barrister and Solicitor in 1938. He joined Canada Trust in 1945 and is responsible for London Region operations.



**John R. Biggs** joined Canada Trust in 1939 and has worked in Branch functions at London, Chatham, Windsor, Guelph, Regina and Calgary. Appointed Supervisor of the Prairies in 1965 and since 1968 has been in charge of the branches making up the Southern Ontario Region.

**James T. Lindores** a Masters of Business Administration graduate from the University of Western Ontario in 1958 with a B. A. from McMaster University in 1955. Prior to joining Canada Trust in 1968, he held senior personnel and operating positions with a major Canadian retailing organization and an international electronics company. He is responsible for the Management Services function which includes all aspects of personnel services, training and development and compensation.

**Mervyn L. Lahn** joined Waterloo Trust in 1955 subsequent to graduation from the University of Western Ontario. He is responsible for the Central Ontario Region operations.

**Donald E. McLean** Montreal born, his experience includes marketing assignments with major corporations in both Canada and the United States. Since joining Canada Trust in 1964, he has concentrated on developing marketing and communication concepts for the Company and its services.

**Charles C. Parsons** a Chartered Accountant with diversified experience in public accounting. Joined Canada Trust in 1962 to develop and manage the Internal Audit Department. Management responsibilities include accounting, auditing, controls, data processing, systems, premises and printing.

**John H. Speake** on graduation from the University of Western Ontario, joined Canada Trust in 1950. Served Company in London, Windsor and Toronto before his appointment to Corporate Headquarters in 1963. Corporate assignments include a major role in computerization and re-organization of personnel and investment services. He is responsible for the fiduciary operations of the Company.

**Derek J. Warren** in 1959, joined Canada Trust. After experience in trust sales, administration and management in various branches and personnel at Head Office, he assumed responsibility for the Prairie Region operations in 1967.





## BRANCH SYSTEM

**Barrie:** 91 Dunlop St. E.  
**Brampton:** 28 Main St., N.  
**Brandon:** 636 Rosser Ave.  
**Burlington:** Burlington Mall; 449 Brant St.  
**Calgary:** 528 - 8th Ave., S. W.; Market Mall  
**Chatham:** 62 King St. W.  
**Delhi:** 118 Church St.  
**Dundas:** King W. at Sydenham  
**Edmonton:** 10150 - 100th Street  
**Elmira:** 57 Arthur St.  
**Fergus:** Tower at St. Andrews  
**Galt:** 44 Main St.  
**Georgetown:** 55 Main St. N.  
**Guelph:** Wyndham at Cork; Willow West Mall  
**Halifax:** 1657 Barrington St.  
**Hamilton:** King at Hughson  
**Kingston:** 225 Bagot St.  
**Kitchener:** King at Water; King at Ontario;  
693 Belmont Blvd.; Fairview Park Mall;  
Forest Hill Plaza; Stanley Park Mall  
**Lethbridge:** 3rd Ave. South at 7th St. S.  
**London:** Dundas at Clarence; 4 Covent Market Pl.;  
Dundas at English; Wortley at Elmwood; Richmond  
at University; Oakridge Plaza  
**Medicine Hat:** 3rd St. at 5th Ave. S.E.  
**Milton:** Main at Charles  
**Mississauga:** 2580 Hurontario  
**Montreal:** 800 Dorchester Blvd., W.; 7040 St.  
Hubert St.  
**Moose Jaw:** 318 Main St. N.  
**Nanaimo:** Commercial at Wharf  
**New Westminster:** 622 - 6th St.  
**Oakville:** Lakeshore at Trafalgar  
**Ottawa:** 77 Metcalfe St.  
**Port Colborne:** Clarence at Elm  
**Preston:** King E. at Ergyle  
**Prince George:** Victoria at 5th  
**Red Deer:** 4928 Ross St.  
**Regina:** 1921 Scarth at Victoria Pk.  
**St. Catharines:** King at Queen; Pen Centre  
**St. Thomas:** Talbot at Elgin  
**Sarnia:** Christina at London; 139 Lochiel St.  
**Saskatoon:** 115 - 2nd Ave. N. at 22nd St. E.  
**Simcoe:** Norfolk N. at Young  
**Stratford:** Downie at Albert

**Toronto:** Yonge at Adelaide; St. Clair W. at Yonge;  
472 Eglinton Ave., W.; Bloor at the Kingsway;  
Markland Wood Plaza; Yonge at Erskine; Richview at  
Wincott; Shoppers' World; St. Andrews Plaza;  
Fairview Mall

**Vancouver:** West Pender at Hornby; Cambie at 41st;  
Main St. at Hastings; 41st Ave. W. at Yew; Hastings  
at Kamloops; Denman at Comox; Park Royal Mall

**Victoria:** View at Broad

**Waterloo:** Erb W. at King; Weber at Lincoln;  
Westmount Place

**Windsor:** 190 University Ave., W.; Devonshire Mall

**Winnipeg:** Portage at Fort





## REACHING CONSUMERS IN THE SEVENTIES

Profiles of consumers in the seventies show that they will be better educated. This means that they will be harder to please, and it appears their demands will be increasingly backed by government. At the same time, the growing complexity of modern life indicates that their requirements will be more specialized. Defining the changing needs of these consumers in the market place, and designing services or products for them, has now become a discipline in itself. The concept of Marketing has for many years been embraced by industrial and consumer companies, and is now being introduced throughout the service industries.

Our various services have already been organized under fulltime Product Managers who co-ordinate work among branches, Head Office, and the Marketing Division.

*Responsibility for the conduct of the company's affairs is one shared by management at all levels. Here are the names of some of those people.*

C. ROBERT CLARKE, *General Counsel*

DAVID M. COCKFIELD, *Manager, Investment Division*

MATTHEW G. COULDREY, *Investment Consultant*

DON L. HUGHES, *Co-ordinator,*

*Corporate Planning*

DONALD C. KING, *Manager, Loans Division*

ROBERT A. KNIGHTON, *Secretary and*

*Tax Consultant*

WALTER J. KUCHEREPA, *Manager,*

*Real Estate Division*

DONALD A. MacDONALD, *Manager,*

*Corporate Trust Division*

KENNETH T. McNAIR, *Manager, Premises Division*

KENNETH W. MESTON, *Manager,*

*Personal Trust Division*

E. D. L. MILLER, *Treasurer*

JACK OLDHAM, *Manager,*

*Corporate Public Relations Division*

ROBERT E. REDGWELL, *Comptroller*

HARRY A. SYER, *Assistant General Manager,*

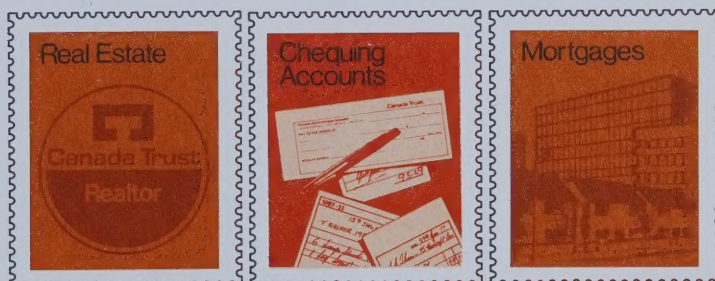
*Kitchener Main Branch*

JOHN T. WALLACE, *Manager,*

*Pension and Funds Division*

JAMES R. WILKEN, *Manager, Borrowings Division*

GWYN E. WILLIAMS, *Superintendent of Mortgages*





Canada Trust